

**BOARD OF MAYOR AND ALDERMEN**

**June 4, 2002**

**7:30 PM**

Mayor Baines called the meeting to order.

Mayor Baines called for the Pledge of Allegiance, this function being lead by Connor Harding of St. Catherine’s School.

A moment of silent prayer was observed.

The Clerk called the roll. There were fourteen Aldermen present.

Present: Aldermen Wihby, Gatsas, Guinta, Sysyn, Osborne, Pinard, O’Neil, Lopez, Shea, DeVries, Garrity, Smith, Thibault, Forest

Mayor Baines stated the first thing I would like to do is make a presentation and requested Mr. Craig’s presence at the podium. One of the fun things you get to do as Mayor is represent the grateful community at times such as this. Today, we honor a gentleman who has served our community in numerous ways and various capacities throughout the years. In fact, I saw a picture of him that went back a few years and I was going to bring it for display tonight...with a few politicians past and present...but, his commitment to our community goes back an awful long time. He served the Planning Board in various capacities for 38 years. He was first appointed in 1956 by Mayor Benoit, I’m assuming, became vice-chair in 1967 and Chair in 1977 serving until 1986. He left the Board in 1989 only to return once again in 1997 as an Alternate, a position he held until earlier this year. I’d like to read the following proclamation to this distinguished gentleman and this is on behalf of the entire community as well as the Board of Mayor and Aldermen.

**PROCLAMATION**

- WHEREAS,**

William H. Craig is stepping down after 38 years as a member of the Planning Board; and
- WHEREAS,**

the length of his tenure has been matched by few in the history of the City; and
- WHEREAS,**

the quality of his service to his community as well as the length of his term is worthy of praise; and
- WHEREAS,**

his calm demeanor, sound reasoning and gentle nature will be sorely missed by his fellow Board members, members of the Planning staff and the citizens of Manchester; and

**WHEREAS,** his retirement from the Board affords his friends and colleagues the opportunity to comment him for a job well-done and to offer best wishes for a healthy and productive future;

**NOW, THEREFORE,** I, Robert A. Baines, by virtue of the authority vested in me as Mayor of the City of Manchester in the State of New Hampshire do hereby proclaim

**WILLIAM H. CRAIG DAY**

here in the City of Manchester.

Mayor Baines stated the other thing I would like to do is present a Key to the City and, Bill, as I said everyone who receives the key, it doesn't open anything, nothing, but it's symbolic and in this term I think it's more symbolic perhaps than other occasions because of his long and distinguished services to the community. Bill, when you look at this key I hope you look at it as a key to the doors of opportunity that you have opened for many people who have looked upon you as a role model in making decisions on behalf of the City, those who looked to you for fair play to be the order of the day, those who looked to you to serve as an example for dignity and respect and honor in public service, and for members of your family who looked up to you and admired you including your children and grandchildren and your wife and others who have come to love and respect you. It certainly is a thrill for me and perhaps I put this at the highest leg, if you will, in terms of the opportunities that I've had to present keys to the City...

Presented to William H. Craig in recognition of  
38 years of service as a member of the Planning Board  
for being such a distinguished citizens of the City of Manchester.

Bill, congratulations, I'm very proud to know you.

Mr. Craig stated thank you very much, sit down please. If I wasn't standing, I think I was being waked. No one will ever do as much for me at a wake. Seriously, thank you all very, very much, Mr. Mayor and members of the Board particularly for honoring me in this way. It's been a pleasure and an honor to be of some service, I hope, to the community and I hope that I will be around in the future perhaps serve in other ways and sincerely I do appreciate everything that has been done tonight and I appreciate the previous Board's who served and reappointed me and nominated me for so many years or joy and happiness and pleasure working with a wonderful group of people on the Board and the Planning staff. Thank you very much again.

Mayor Baines stated I've got an opening on the Zoning Board, Bill.

Alderman Wihby stated I've know Bill for 17 years, we've been on the Planning Board together and I know that if Alderman Cashin was here too, I know Alderman Cashin's known Bill for 30 years and served with him for 30 years and Bill spoke highly of him.

Always, Bill had every respect for everybody's rules and always cared about what was right for the City and always voted that way, so I just wish him well and I know the whole Board does too.

Alderman Thibault stated to elaborate a little bit on what Alderman Wihby said I served on the Planning Board with Bill and I have to say that one of the fairest guys that I every worked with in my life and I just would have to say that, Bill.

Mayor Baines advised with the Board's permission he wished to move directly to items 25 and 26. Members of the Board so concurred, and items 25 and 26 were brought forward.

**25. & 26. Resolutions:**

“Authorizing The Issuance of Bonds and Notes for the Manchester Place LLC Parking Garage Construction (\$5,000,000). Authorizing the Mayor and Finance Officer to Seek Alternative Sources of Funding for this Project, Authorizing the Execution of a Purchase and Sale Agreement with the Proposed Developer of the Bridge and Elm Property, Providing for the Use of a Design Build Process for the Construction of the Proposed Public Parking Facilities to be Constructed at the Bridge and Elm Location and Authorizing the Mayor and Any other Designee Thereof to take any and all Other Actions to Accomplish the Purposes of this Resolution.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Five Hundred Fifty Thousand Dollars (\$550,000) for the 2002 CIP 511202, Derryfield Country Club Rehab. Phase 4 Project.”

“Amending the FY2000 & FY2002 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Five Million Five Hundred Thousand Dollars (\$5,500,000) for FY2002 CIP 613402 Bridge & Elm Development Project.”

“Authorizing the Finance Officer to effect a transfer of Seven Hundred Dollars (\$700) from Civic Contributions as a donation to the West High School Band in conjunction with a band concert of June 30, 2002 at Lake Massabesic.”

Alderman Garrity moved that the Resolutions be read by titles only. Alderman Thibault duly seconded the motion. There being none opposed, the motion carried and it was so done.

Alderman Thibault moved that the Resolutions pass and be Enrolled. Alderman Sysyn duly seconded the motion.

Alderman Gatsas stated the Bond Resolution on item 25 is \$5 million and the item on 26 is \$5.5 million, is there a reason why they're different.

Mr. Clougherty replied the Bond Resolution is for \$5 million but there is also an amount of money in there for the Section 108, I believe, which is the \$500,000 and the CIP has to have both in there.

It was requested that the voting for the Elm and Bridge Street resolutions be taken separately. Mayor Baines called for a vote on the motion to enroll the Elm and Bridge Street resolutions, reflected as the first and third resolutions read. The motion carried with Aldermen Osborne and Lopez duly recorded in opposition and Alderman Gatsas abstaining.

Mayor Baines called for a vote on the motion to enroll the remaining two resolutions:

“Authorizing Bonds, Notes or Lease Purchases in the amount of Five Hundred Fifty Thousand Dollars (\$550,000) for the 2002 CIP 511202, Derryfield Country Club Rehab. Phase 4 Project.”

“Authorizing the Finance Officer to effect a transfer of Seven Hundred Dollars (\$700) from Civic Contributions as a donation to the West High School Band in conjunction with a band concert of June 30, 2002 at Lake Massabesic.”

Alderman Forest moved that the Derryfield Country Club and West High School Band Resolutions pass and be Enrolled. Alderman Pinard duly seconded the motion.

Alderman Garrity asked is it enterprise funds with the Derryfield Country Club.

Mr. MacKenzie replied yes.

Mayor Baines called for a vote on the motion. There being none opposed, the motion carried.

3. Presentation by Middle School at Parkside students about lessons learned from the “One Book, One City” program.  
(Mary Buchanan, Sara Murphy, Joshua Steward and Shane St. Pierre)

Mayor Baines stated in April the City participated in the nation wide One Book One City Program. The assigned reading was *Elie Wiesel’s Night*...an account of surviving the Holocaust. Tonight, a small group of Parkside students including Mary Buchanan, Sara Murphy, Joshua Steward and Shane St. Pierre will briefly describe how they used geometric shapes to create a Holocaust memorial. Mrs. Connell will introduce the students and the project.

Mrs. Connell stated they built a Holocaust monument using the geometric shapes and they had to dedicate their project to a group of people. So, here we have Shane St. Pierre who will describe his.

Hi, my name is Shane St. Pierre and this is my project. Mine is a handicapped person going to the gas chamber because Hitler used to take the handicapped people first because they couldn’t work. Mine is dedicated to all the handicapped people who were killed.

Hi, my name is Sara Murphy, and this one is mine. The blocks represent a flower and a vase for all of the unmarked graves, it's dedicated to people to died in the Holocaust.

Hi, my name is Mary Buchanan. The pieces here resemble a Jewish family of five and the wire represents a Nazi tearing them apart and this abstract model is dedicated to all the Jewish families who were torn apart. This is Josh Stewart's. His is dedicated to all of the Jewish people who lost their lives in the Holocaust. This is Billy Clement's...his is dedicated to all the Jewish people who starved during the Holocaust and without the bowls that the Nazi's gave them they wouldn't have a chance to survive.

Mrs. Connell stated this was a disciplinary unit and middle school teams teach and they do interdisciplinary units and this was done by our Team 6 Blue and two of the teachers are here Kathy Fortin and Rick Duval who came with their students. Thank you.

Mayor Baines stated these will be displayed in the NH Primary Room and while talking about that we had a wonderful dedication this past week dedicating that room and we invite people and the public to come Downtown...it's on the third floor in City Hall across from the Mayor's Office and see that wonderful tribute and we'll have the students on display there as well.

Mayor Baines stated prior to moving on with the Consent Agenda I have a couple of announcements. The Aldermen are invited tomorrow at 3:30 PM here in the Chamber for the 5<sup>th</sup> Annual For Manchester Excellence in Education Awards, it's a very moving program and I hope you can all attend and members of the public are invited to attend as well. As you know, we are in the final stages of selecting a new Superintendent of Schools and there are interviews going on at Bridge Street tonight with the School Board and also we had some preliminary interviews that were open for Aldermen and department heads today and the new Superintendent of Schools should be selected next week. Also, to remind everyone that the 2<sup>nd</sup> Annual Downtown Manchester Jazz and Blues Festival, it is now the Talarico Downtown Manchester Jazz and Blues Festival will be held this Friday and Saturday beginning at four o'clock in the afternoon and going through Saturday night. The Count Basie Band is in the Palace Theatre sponsored by *The Union Leader* and we have music starting around noon time on Saturday all through Saturday night and if anybody wants to go to the Palace Theatre tomorrow night for the Sally Zyla Dance Revue you'll see somebody you know that stands here on Tuesday nights dancing with his daughter, so that should be kind of an interesting night for our family.

#### **4. Discussion regarding Singer Park.**

Mayor Baines stated the discussion regarding Singer Park has been postponed because of the deaths you read about in the paper and Mr. Manning could not be with us this evening, so we will reschedule it.

### **CONSENT AGENDA**

Mayor Baines advised if you desire to remove any of the following items from the Consent Agenda, please so indicate. If none of the items are to be removed, one motion only will be taken at the conclusion of the presentation.

### **Minutes Accepted**

- A. Copies of minutes of meetings held on April 16, 2002 (two meetings); and April 18 & 30, 2002.

### **Approve under the Supervision of the Department of Highways**

- B. PSNH Pole Petition #11-948 located on Zachary Road.

### **Informational - to be Received and Filed**

- D. Copies of minutes of a meeting of the Mayor's Utility Coordinating Committee held on May 15, 2002.
- E. Communication from AT&T Broadband submitting a late payment fee in the amount of \$523.19.
- G. Communication from the NHDES advising that the City's Wastewater Treatment Facility surface water discharge permit has been renewed.
- H. Communication from the NHDOT advising of contemplated awards.
- I. Communication from members of the Destination Imagination Team expressing their gratitude to the City for its recent donation.

### **REFERRALS TO COMMITTEES**

#### **COMMITTEE ON FINANCE**

- J. Resolution:

“Authorizing the Finance Officer to effect a transfer of Seven Hundred Dollars (\$700) from Civic Contributions as a donation to the West High School Band in conjunction with a band concert of June 30, 2002 at Lake Massabesic.”

### **REPORTS OF COMMITTEES**

#### **COMMITTEE ON ACCOUNTS, ENROLLMENT AND REVENUE ADMINISTRATION**

- K. Advising that it has accepted the monthly financial statements for period ending April 30, 2002 and is forwarding same to the Board for informational purposes.

### **COMMITTEE ON FINANCE**

- L.** Recommending that the Board accept the consultant's recommendations with regard to selection of Anthem Blue Cross and Blue Shield as a healthcare provider, and further that the Human Resources Director continue negotiations relating to a contract.

### **COMMITTEE ON JOINT SCHOOL BUILDINGS**

- N.** Advising that it has accepted the enclosed project financial and status reports and the architects', engineers' and consultants' reports for the month of May relative to ADA Accessibility/School Elevators – Parker-Varney Elevator/ADA Improvements, NORESCO Performance Contract, Roofing Projects – Manchester Schools, McLaughlin Middle School Addition, and Central High H&V Phase 6 and Window Replacement, Bakersville Kindergarten & Electrical Improvements, Southside Middle Classroom Addition, Hallsville Bathroom Renovations and Highland Goffs Falls & Parker-Varney Flooring Replacement and is submitting same to the Board for informational purposes.

### **COMMITTEE ON LANDS AND BUILDINGS**

- O.** Advising that it has approved a request from Intown Manchester to hold a series of concerts during the lunch hours in the plaza area of the City Hall complex subject to meeting the requirements of the Highway, Risk, Traffic, Police, Fire, Building and City Clerk Departments.
- P.** Advising that it has approved a request from Terry Casey of Standing Room Only, LLC to operate a vending cart at City Hall Plaza on Elm Street.
- Q.** Recommending that a request of Brian and Leslie Duplessis to purchase land known as Map 0441/Lot 9A abutting property they own located at 193 Westland Avenue be denied. The Committee notes that Lot 9A was acquired by the City for utilization relating to the interceptor system and should be retained as such for future interceptor projects.
- R.** Recommending that Tax Map 0441, Lots 6A and 9A be retained by the City and assigned to the Highway Department for utilization relating to the interceptor system as may be required now and in the future; and that the Highway Department be directed to notify the Committee on Lands and Buildings should such properties previously referenced be found surplus to the department's needs.
- S.** Recommending, that a request from Christian Silvestri for disposition of 7.2 acres on Woodbury Street, Map 332, Lot 1-A be denied. The Committee notes that the Board of Mayor and Aldermen had previously voted to retain such property as parkland because of its proximity to an existing park and its wetland status.
- T.** Recommending that property situated at Wolcott Street, known as Map 0441, Lots 3 and 4 be considered surplus to City needs and disposed of through public auction with a minimum bid to be set at \$2,500.00. The Committee advises that it has found such property to be surplus to City needs; and that the Board of Assessors has provided an opinion of value in the range of \$2,500.00 to \$3,000.00. The Committee further recommends that all abutters be notified of said disposition, and that the City Solicitor be authorized to proceed with disposition and prepare such documents and notifications as may be required.

**HAVING READ THE CONSENT AGENDA, ON MOTION OF ALDERMAN O'NEIL, DULY SECONDED BY ALDERMAN FOREST, IT WAS VOTED THAT THE CONSENT AGENDA BE APPROVED.**

**C. Sidewalk Improvement Petitions - 50/50 Program FY2003**

Alderman Shea asked because of the cuts will the 50/50 Program still be in existence, I've received questions from people in my ward.

Mayor Baines requested Mr. Thomas approach the podium.

Mr. Thomas stated the 50/50 Program is funded through the CIP. We received bids in April, so we are accepting petitions and we will be proceeding to do our work under the 50/50 Program.

Alderman Shea moved to approve the sidewalk improvement petitions under the supervision of the Department of Highways, subject to the availability of funding.

Alderman DeVries stated I received a package from you will all of the applications, there were quite a few, do you anticipate each of those applications being able to be processed this year.

Mr. Thomas replied it comes on a first-come, first-served basis. We put out enough advance notice that we are filling up to our limit, but yes, the applications that are coming in now we will be contacting those people, supplying them with an estimate and once we receive their check then they're committed.

Alderman DeVries in reference to the package that was delivered asked was that prioritized on how you received those applications.

Mr. Thomas replied I'm not sure about this package, the petitions go into the City Clerk's Office and once they're approved by the Board of Mayor and Aldermen then we get them.

Alderman Thibault stated I appreciate Alderman Shea's concern on that and having been involved for many years with this I know that Frank and his department has always come through within one year or two years you can get these sidewalks done as a rule depending on the first-come, first-served basis, Frank, and I thank you for clarifying that.

Alderman DeVries duly seconded the motion to approve the sidewalk improvement petitions under supervision of the Department of Highways and subject to the availability of funding. There being none opposed, the motion carried.

- F.** Communication from AT&T Broadband advising of pricing changes effective July 2002.

Alderman DeVries stated actually I'm not sure who on staff might be able to help me. This is addressing the AT&T Broadband pricing change, would that be City Solicitor.

Deputy City Solicitor Arnold replied I'm afraid so.

Alderman DeVries asked can you tell me does the City have any control over this price increase.

Deputy City Solicitor Arnold replied no, we do not. Pursuant to federal law we're not allowed to regulate pricing within the City.

Alderman Thibault moved that the communication from AT&T Broadband be received and filed. Alderman Pinard duly seconded the motion. There being none opposed, the motion carried.

**Report of the Committee on Finance:**

- M.** Advising that it has directed City staff to explore Harrington as a health insurance provider and begin putting complete numbers together July 1<sup>st</sup> with a full report due to the Board of Mayor and Aldermen by January 1, 2003.

Alderman Lopez stated a question I have...we're directing the HR Director, Ginny to do something here and I want to make sure she has the necessary funds to do that and I'd like a response.

Ms. Lamberton stated we really don't have any funds appropriated for a consultant to do this and I was hoping that perhaps we could take some of the money that is in the claims account...right now, we have \$500,000 and we could designated perhaps up to \$35,000 or \$40,000 to continue our relationship with Group Benefits Strategies.

Mayor Baines requested the Finance Officer to advise the Board.

Mr. Clougherty stated as I've advised the Human Resources Director and the Mayor already that that's a fund balance, the reserves. It's not cash that you can appropriate. So, that money would not be available and would be happy to work with the Human Resources Director to come up with some source of funding other than that, but that is not available.

Alderman Thibault asked can we get some kind of estimate as to what this may cost.

Ms. Lamberton replied for the consultant, I wouldn't think it would cost...I'm thinking at the extreme...\$30,000-35,000.

Mayor Baines stated we'll work on this over the next week and bring it forward at the special meeting next week and ask the Finance Director to work with the Human Resources to identify a funding source.

Alderman Lopez stated it was emphasized by many Aldermen that they wanted to do this by July 1<sup>st</sup>, so if the funds are not there it might go beyond that.

Alderman Guinta stated I guess I'm a little confused, I didn't realize we were going to be utilizing to the extent \$30,000 a consultant and I guess my question would be what responsibilities would the consultant be providing that could not be provided through the HR Department.

Ms. Lamberton replied during the last six months we have used Group Benefits Strategies through the whole process of evaluating all of the proposals that came in for health, prescription, vision and stop loss insurance; that is their area of expertise, they've analyzed numbers for us, they've dealt with the insurance companies and they also provide a neutral objective perspective that I think is better than me saying it's better...do you know what I...because they're neutral, they have no vested interested in who we decide to select for our providers.

Alderman Guinta stated maybe you can further answer my question. What exactly would they be doing that would cost us money, I understand what they've done for us up to this point, but to continue looking at how we can maybe transition into Harrington assuming it's financially rewarding to the City, I'm still not clear as to particularly why we would need a consultant.

Ms. Lamberton replied because their staff are professionals in debating stop loss...like when we were going through this last process, one of the company's came in and they originally bid that our claims were going to be so many dollars...they came back during the days of negotiations and said "oh, it's going to be \$400,000 left" without any substance to it and frankly the Principal Jack Sherry was quite good a discussing that with them and holding them accountable for that and he has knowledge that I don't have.

Alderman Guinta asked did Jack give us some information regarding why Harrington or another administrator would be a financially beneficial choice for us in the future.

Ms. Lamberton replied he did to the extent that there wasn't enough time to study it right now, but clearly it needed to be studied in greater depth and bring people such as Harrington to New Hampshire and to the City of Manchester to meet with the Mayor's Insurance

Committee to review all of the particulars...all of the good points and the bad points that are hard core TPA (third-party administrator) might provide to the City.

Alderman Guinta stated I wonder if we could do that without the use...initially, of the use of the consultant so we can get a perspective. My point is I'd like to try and save as much money as we can and if we can do some of this leg work ourselves in junction with Harrington because theoretically they're going to want out business...I'm wondering if there's some of this process that we can get done without the utilization of a consultant. I'm sure Harrington would be interested in coming to the City and making a proposal, so if we're going to have something in place for '03 I'm sure whatever they propose we could just compare to proposals we've already received for '03.

Alderman Gatsas asked, Ginny, can you tell me what we paid Harrington in this last round to look at and do an analysis of the three plans that we were looking at.

Ms. Lamberton stated you mean Group Benefits Strategies.

Alderman Gatsas stated correct, I apologize.

Ms. Lamberton stated we paid them \$1,500.

Alderman Gatsas stated to make a decision...when their first recommendation came to us was that Harrington would be about \$1.6 million less expenses, but they explored and looked at Anthem Blue Cross/Blue Shield and the Municipal Association...the difference of \$1,500 to \$30,000 for them to look at a program, I think, is a bit much.

Ms. Lamberton stated to be very candid with you they want to do business in New Hampshire and they want to do business with the biggest City in the State, Manchester, and so they basically did a throw away...if I had to pay them for all of the hours of work and all the time they've spent in Manchester I'm sure I probably would have spent what the City spent a year ago with Mercer, maybe \$40,000 or \$50,000 and I haven't found them to be taking advantage at all. I've felt kind of guilty about calling them almost daily to discuss issues with them.

Alderman Gatsas stated so we're asking the City to spend \$30,000...

Ms. Lamberton stated no, what I said was I can't imagine it would cost more than that.

Alderman Gatsas stated up to \$30,000...

Ms. Lamberton interjected as a cushion, correct.

Alderman Gatsas stated to decide whether we want a TPA or not...we haven't even made that decision yet.

Ms. Lamberton stated that is not what I said...to do the analysis...

Alderman Gatsas stated I said this Board is looking to spend up to \$30,000 and we haven't even made a decision of whether we're going to use a TPA or not because we may decide we don't want to do that because the implementation would be too difficult.

Ms. Lamberton stated the whole purpose to Item M, I assume, is to study that and come back with valid, good business reasons to either do it or not to do it.

Alderman Shea stated this is directed to Ginny. Ginny, if we were to employ them could you see a substantial savings on the part of the City in terms of utilizing their services. In other words, what are we getting in exchange...our we getting up to \$30,000 a difference of \$50,000, \$75,000 or in terms of how you view things. I know that you mentioned that we saved so much when we use their services and negotiations for health and for other benefits. In negotiating with Harrington do you see us being in a better position to save \$100,000 because of their expertise or \$50,000 or whatever.

Ms. Lamberton replied I can't guess a number, if I could then I wouldn't be asking to hire them.

Alderman Shea asked is it a breakeven sort of thing?

Ms. Lamberton replied what I do know about Harrington, I think that we could save money, I definitely do. But, there are other issues that need to be addressed that I am not an expert in that field and that is why there are specialized consulting firms that do that type of work.

Mayor Baines stated did I hear we could save up to a million dollars. Could we ask the Finance Officer to identify the funds to carry forward.

Alderman Shea moved to request the Finance Officer to identify the funding for explore Harrington as a health insurance provider as noted in the committee report.

Alderman Garrity duly seconded the motion.

Alderman Guinta stated my question wasn't answered, so I will ask it again. Is there something that we can do over the next six weeks, eight weeks that's not going to cost us any money that...for example, that we can ask Harrington to participate in some sort of plan with your department to put forward some cost savings benefits or put something forward before we start looking into spending \$30,000. I'd like to see something that is going to identify

specific cost savings before we decide we need to spend this money and I'm wondering if you think Harrington would be willing to do that?

Ms. Lamberton replied I think Harrington would be happy to do anything I asked them to do and I will do everything I can possibly do without utilizing any third party to help me, but I get to a certain point where I feel that I'm out of my league then I would like to know that I can use Group Benefit Strategies.

Mayor Baines interjected we will come back hopefully by the eleventh with a specific number that we'll be actually asking for. So, we're going to work very hard to make sure that we minimize the cost to do what we need to have done.

Alderman Guinta asked are we going to have something before the eleventh then, in writing, from Harrington? You're saying we're going to have by the eleventh an actual figure...

Mayor Baines replied no the cost to do the project, Alderman.

Alderman Guinta asked so are we then going to vote on the eleventh...I'd like something before the eleventh from Harrington to give us at least some sort of...

Alderman Lopez stated basically it's very simple...she's asking for "X" number of dollars, she's going to do everything possible to do something, but these people are not going to do something for nothing. You want something, Alderman, to do what...I don't know, let her do her job.

Alderman Guinta asked may I respond.

Mayor Baines replied yes and then we will take a vote.

Alderman Guinta stated we're talking about a motion here on spending \$30,000 and I don't take it likely. All I'm asking and I have full confidence in the HR Department, all I'm asking is can we have something from the HR Department and Harrington in our hands that we can review before we start determining if we're going to spend up to \$30,000...I think is very reasonable.

Alderman Lopez stated all I'm saying is that's exactly why we hired an HR Director, we've got a Finance Officer and we have a City Solicitor. Let them do their job, let them bring back...we directed her to get us some information. She can't do her job if we don't give her the money. We shouldn't be micro-managing what she has to do.

Alderman Garrity stated \$30,000 is a lot of money but Jack Shea the consultant potentially said we could \$1 million, my feelings is I don't want to back this up six to eight weeks and

then we don't have the numbers and all the information we need to make a decision on July 1<sup>st</sup> because we need that for next year's budget.

Alderman Shea stated let's put it in perspective. In other words, what we're going to do is we're going to ask where are we going to get the money, we're not necessarily going to spend the money when we get the money. In other words, the time that she gets the money she'll be able to utilize her expertise in her own ways so that then when the \$30,000 is to be spent we have to vote on that.

Alderman Guinta interjected I understand that but the Mayor indicated that we could be taking a vote on June 11<sup>th</sup> to expend up to \$30,000.

Alderman Shea stated to authorize her to spend it but she has to come before the Board and we'll have a discussion when she's going to spend the money, so that basically she can...

Alderman Guinta interjected maybe I'm not being clear, I'm not saying we shouldn't spend the \$30,000...all I'm saying is we should have something from Harrington that identifies some cost savings if they were to administer our health program prior to actually spending the \$30,000.

Alderman Shea stated she's not going to spend the money on June 11<sup>th</sup>, she's probably going to spend it on December 5<sup>th</sup> or something that's what I'm trying to get across to you.

Mayor Baines stated all we're asking for tonight is for the Finance Officer to identify something funding source and then nothing will be actually decided on tonight it will be on June 11<sup>th</sup>...and, again, if you need any additional clarifications, I know Ms. Lamberton would be delighted to sit down with you or talk to you on the phone.

Alderman O'Neil stated two quick points. Number one, Ginny has already had a discussion with Harrington and I believe can put together a one-page sheet based on those discussions, am I correct?

Ms. Lamberton replied I believe I gave out a copy of the one-page sheet.

Alderman O'Neil stated I've got it here, you've already provided those numbers. Secondly, when Jack Sherry was here one of the things I appreciated him saying is if we're interested he's in this for the long haul which we generally don't hear from consultants, they want to come in, get their money and get out and I really appreciate that that he's here, he's in this for the long haul and we're going to have to pay a few dollars to do that.

Mr. Clougherty stated I've been asked to clarify what we're talking about here. There are really two issues. The first one that I think Alderman Guinta is raising is shouldn't be

contact Harrington to see if, in fact, they are going to stand behind what they've said with the savings; that certainly between now and the tenth we can do that to make sure that if on the tenth the Board is going to make a decision on spending some amount of money that you have that information, so I think the Human Resources Director and I certainly can contact Harrington and explain that to them and get a response. At the same time, we'll work with the Human Resources Director to define the scope of services which hopefully is going to be much below \$30,000 and come back to you with a specific dollar amount and source of funds for that.

Alderman Guinta stated thank you, Kevin.

Alderman Gatsas stated this goes back to last night when I said that as we go through the year we craft our budget by the votes that we take during the process. Now, unless we are prepared to invite a third party administrator to do this plan then we shouldn't be voting for \$30,000. This Board best be prepared to understand that the claims that are paid by the City are paid by dollar one and that the employees will no longer see a Blue Cross Blue Shield card. So, if this Board is prepared to do that then we should be prepared to move forward. If we're not prepared to put this and implement it in place to save a million dollars then we shouldn't spend the \$30,000 to do it. So, again, as I said as we do our votes during the course of the year that's when we start structuring the votes for the following year's budget, so if we aren't going to implement a million dollar savings because of what's it going to take to do a transition and whether the employees will accept it and whether the Mayor's Insurance Committee is going to like a third party administrator I think those are questions we should have answered before we spend \$30,000 to find out if we're going forward because Mr. Sherry told us here that it was over a million dollar savings if we put the third party administrator in place now and we had questions about that. So, again, I'm not in favor of spending \$30,000, I'm not even in favor of looking at this until we have a commitment from this Board that that's the direction we're going to go in.

Mayor Baines called for a vote on the motion to request the Finance Officer to identify funding. The motion carried with Alderman Gatsas duly recorded in opposition.

Deputy Clerk Johnson stated item M has still not been disposed of. I'm questioning whether you perhaps want to table that item...we did not accept the report in and of itself. So, the question is do you want to table the report and bring it back next Monday along with the Resolution.

Alderman Lopez moved to table the report of the Committee on Finance relative to Anthem Blue Cross and Blue Shield. Alderman Shea duly seconded the motion. There being none opposed, the motion carried.

On motion of Alderman Pinard, duly seconded by Alderman Thibault, it was voted to recess the regular meeting to allow the Committee on Finance to meet.

Mayor Baines called the meeting back to order.

## **OTHER BUSINESS**

- 11.** A first report of the Committee on Finance was presented recommending that Resolution:

“Authorizing the Finance Officer to effect a transfer of Seven Hundred Dollars (\$700) from Civic Contributions as a donation to the West High School Band in conjunction with a band concert of June 30, 2002 at Lake Massabesic.”

ought to pass and be enrolled.

Alderman Pinard moved to accept, receive and adopt the first report of the Committee on Finance. Alderman Osborne duly seconded the motion. There being none opposed, the motion carried.

- 9.** A second report of the Committee on Finance was presented recommending that Appropriating Resolutions:

“A Resolution appropriating to the Manchester Aggregation Program the sum of \$764,816 from Aggregation Fees for the fiscal Year 2003.”

“A Resolution appropriating to the Manchester Airport Authority the sum of \$41,938,254 from Special Airport Revenue Funds for Fiscal Year 2003.”

“A Resolution appropriating the sum of \$2,686,167 from Recreation User Charges to the Recreation Division for Fiscal Year 2003.”

“A Resolution appropriating the sum of \$13,941,680 from Sewer User Rental Charges to the Environmental Protection Division for Fiscal Year 2003.”

“Amending a Resolution ‘A Resolution appropriating to the Central Business Service District the sum of \$205,833 from Central Business Service District Funds for the Fiscal Year 2003’ to \$225,000.”

“Continuation of the Central Business Service District.”

“Appropriating all Incremental Meals and rooms Tax Revenue Received by the City in Fiscal Year 2002 and held in the Civic Center Fund, for the payment of the city’s Obligations in Said Fiscal Year Under the Financing Agreement.”

“A Resolution appropriating to the Manchester Transit Authority the sum of \$725,000 for the Fiscal Year 2003.”

“A Resolution appropriating to the Manchester School Food and Nutrition Services program the sum of \$4,750,000 from School Food and Nutrition Services Revenues for Fiscal Year 2003.”

ought to pass and layover.

Deputy Clerk Johnson stated this item will require an amendment. If you will recall that at the last meeting of the meeting of Finance Committee where these resolutions were discussed and we're talking primarily about the enterprise resolutions...there is one listed "Continuation of the Central Business Service District." and we had asked the Board of Assessors to give us a report on what the tax rate equivalent would be and I am told it is \$.64 cents that that will need to be amended to from the current figure, so I guess I would just put the Board on notice of that as you're accepting this report and we'll have that amendment done next week when we meet on the tenth.

Alderman Wihby asked isn't there two things we need to revise to eliminate Section 402...on that letter there were two items that needed to be changed.

Deputy Clerk Johnson stated the Central Business Service District funds was going up to \$225,000 and I don't believe the letter increased it any further than that.

Alderman Wihby stated no but #2 says the continuation will be revised to eliminate Section 4, so does that have anything to do with.

Deputy Clerk Johnson replied Section 4 sets the tax rate at \$.59 cents, we're saying that's going to be at \$.64 cents, they don't really want to eliminate it per se.

Alderman O'Neil stated I'm not sure I understand it. It says "requests to have a level budget rather than a specific tax rate", what's the level tax rate the \$205,000 or the \$225,000.

Mr. MacKenzie replied the Advisory Board recommended the \$225,000 level for the District.

Alderman O'Neil asked what's a level budget?

Mr. MacKenzie replied a level budget would be the same...last year's budget was \$205,000, so they are asking (roughly) for \$20,000 more. The terminology, the Central Business District Advisory Board comments not on the budget or tax rate but on the types of and levels of services. In essence, Intown is proposing the same level of services but they do have additional expenses this year. The largest single expense of about \$15,000 is that they will have to pay rent this year. In the past, they have not had any rent. So, the level of service is staying the same, but the cost are going up.

Alderman O'Neil stated it says here that "the Board also concurred within Intown's request to have a level budget and you're saying a level budget is \$205,000 then why are they requesting \$225,000.

Alderman Wihby stated instead of using the cents just setting a total amount, that's what I took that to mean.

Alderman O'Neil stated I'm confused, that's what it says here.

Mr. MacKenzie stated again the difference is that the Advisory Board does not comment on tax rates. The Advisory Board comments on the level and types of services to be provided. I'm not sure, I can't remember if the term "level of fund" is used...

Alderman O'Neil interjected it says "level budget".

Mr. MacKenzie stated the Board recommended that the same services be offered. In this case, the same services are going to cost more because of the increase in rent and certain other factors.

Alderman O'Neil stated it's probably not written correctly then, is that my understanding.

Alderman Guinta stated as I read it I think there's room to read into the meaning and what I think we can interpret this to say is level funded from last year which is not, I think, the intention. The intention is rather than have a specific tax rate to identify what their costs are for a final figure to be determined by the Board, at which point Steve can then give us what the rate is if we so desire. But, level budget I understand that to mean equal to their expenses and this year their expenses happen to be a little bit higher.

Alderman Wihby stated when I read it it says "the effect of these changes would be to increase the amount of the budget", so that would be from \$205, 000 to \$225,000 and then it says and have the budget be the exact amount of the funds. So, what I read this is that they're saying from now on just tell us it's \$225,000 and don't set us with a \$.59/\$.64 cents or anything else, just give us \$225,000.

Mr. MacKenzie stated if I could try just one more time, Mayor, sorry for the confusion. In the past, the only appropriation that was different than all others was this Central Business District tax. In essence, the tax rate was set and then whatever the assessment came in was how much money they got. The problem with Intown is, therefore, they had a budget and they didn't really know what it was because they set the tax rate in the past at \$.59 cents and once the assessments came in by the Assessors in late fall the actual budget could have been five or ten thousand dollars higher or lower. The only thing they're asking is for the same thing to happen as we do with all of the other resolutions in that they are going to set the budget and whatever the tax rate is \$.64 cents (+ or - one or two cents)...based on the appropriation, not the tax rate.

Mayor Baines asked, Stephanie, did he state that correctly, just nod. Okay, thank you. We're going to delay this because the Clerk has notified me we need the actual resolution for that.

Deputy Clerk Johnson stated if you just move on to the next item of business and we expect it to come up shortly.

Alderman Garrity asked are we still on item 9.

Deputy Clerk Johnson replied you are but if you're looking to talk about the "Continuation" resolution, it's not attached.

Alderman Garrity stated I have an MTA question and since we're going to appropriate \$725,000...last night during budget deliberations you mentioned that the School District has a \$500,000 increase in transportation costs. Do you know why?

Mayor Baines replied yes. It relates to the increased number of buses and the various schools because of the number of students that are enrolling, the number of routes they're adding, it also included some additional buses at the parochial schools...you know, we're required to provide transportation to the parochial schools. There were a number of routes and buses and obviously the ancillary costs of that being added. Now, the School District and MTA as a result of the meeting we had at City Hall and I think, Wayne, you were there with me weren't you.

Mr. Robinson replied no.

Mayor Baines stated they are going back and rechecking figures to try to bring that number down, but it's increased number of routes.

Alderman Garrity stated you stated they're increasing routes, what is their enrollment projections, how many more kids.

Mayor Baines replied it's based upon the enrollments in each school and also the request of needs from some of the parochial schools that hadn't been there before as well. Again, they're working on that to try to get that number down. But, that really doesn't affect...

Alderman Garrity stated I just thought I'd bring it up because it was on the agenda.

Mayor Baines stated we're trying to help resolve that issue.

- 10.** Report(s) of the Committee on Finance regarding Appropriating Resolutions, if available.

Deputy Clerk Johnson replied there are no other reports of the Committee on Finance regarding Appropriating Resolutions.

**12. Report of Committee on Lands and Buildings:**

Recommending that in accordance with RSA 80:80 the Mayor be authorized to dispose of certain property situated at Groveland Avenue, known as Map 492, Lot 20 by executing deeds releasing all rights, title interest, or claims in said property. Said property formerly owned by Paul Doyon was acquired by the City of Manchester by virtue of Tax Collector's deed dated April 28, 1972 and recorded in Hillsborough County Registry of Deeds on April 28, 1972, in Volume 2208, Page 268.

The Committee recommends that said property be disposed of through public auction with a minimum bid to be set at \$20,000.

The Committee advises that it has found such property to be surplus to City needs; and that the Board of Assessors has provided an opinion of value in the range of \$20,000 to \$25,000.

The Committee further recommends that the Tax Collector and City Solicitor be authorized to proceed with disposition and prepare such documents as may be required, and that the Finance Officer be authorized to credit tax deeded accounts as deemed necessary.

Alderman Thibault moved to amend the first report of the Committee on Lands and Buildings at the Board of Assessors recommendation that a minimum bid be set at \$15,000. Alderman Osborne duly seconded the motion. There being none opposed, the motion carried.

Alderman Thibault moved to accept, receive and adopt the report of the Committee on Lands and Buildings as amended. Alderman Pinard duly seconded the motion. There being none opposed, the motion carried.

**13. Report of Committee on Lands and Buildings:**

Recommending that the City explore disposition of all three City owned garages. The Committee notes that they have asked staff to report back to the full Board at the June 4<sup>th</sup> meeting regarding the methodology of disposition and minimum bid pricing.

Mr. Taylor stated the staff went before the Lands and Buildings Committee at their previous meeting a couple of weeks ago to try to suggest that we explore the possibility of disposing of the Canal Street Garage and the Committee went one step further and asked us to look at the possibility of disposing of all three garages. The long and the short of the recommendation is that if we're going to do that we should do it by sending out Request for Proposals for all three garages if we're going to vote to do that specifying that they are to be used for parking and that we would suggest further that we would set a minimum bid price and following consultation with the Board of Assessors, I think that we agreed that the minimum bid price should be set at the current assessed valuation as put on these facilities by the recent revaluation and I can read these numbers off to you. The Canal Street Garage, the assessed value was \$4,270,500 and if you divide that by the number of parking spaces (582)

that works out to \$7,337 per space; the Victory Garage - total assessed value \$5,513,000 (846 spaces) so the assessed value per space works out to \$6,516; and finally the Center of NH Garage - assessed value \$6,407,800 (1,004 spaces) which gives you an assessed value per space of \$6,382. Now, at the Lands and Buildings Committee meeting there was some discussion as to why the so-called cost approach to value was not used in the appraisal that we received and my response to Alderman Gatsas who asked the question was simply that in the appraisers mind the cost approach was not applicable in this case given than these facilities are all 25 to 30 years old. Cost approach in true value typically tends to provide you the high end of a value spectrum. I might add, however, that these assessed value numbers were arrived at by the cost approach...replacement value less depreciation. So, we are using in effect the cost approach in setting the minimum bid price...that's what we're recommending anyway.

Alderman Gatsas stated if that was the analysis of the cost approach and you're coming forward telling us that that was the analysis used on the assessed valuation then the \$5 million that was appropriated for Bridge and Elm for 300 spaces which is in excess of \$15,000 per space...is that a different analysis.

Mr. Taylor replied I think I could sit here tonight and tell you that if we spent \$5 million to build a new garage today and we were charging rates that are in the range of what the City is charging now for parking that that garage, using the income approach would not be worth \$5 million. The problem as the appraiser points out was that the City's rates are below market and that tends to have a negative effect on the value using the income approach to value. Whereas, the reval company has used the cost approach...replacement less depreciation...that is why they got a higher number and that's all I'm suggesting that we use the higher number going out as a minimum bid.

Alderman Gatsas stated I don't know how long you've been here but probably not as long as the gentleman we honored at the beginning of the meeting...Jay, can you give me a rough estimate of what we paid for Canal Street when we had it built.

Mr. Taylor replied that question came up this afternoon. Apparently, you made that request through the Clerk's Office at mid-afternoon and I don't have the number. Joanne Shaffer from Finance is trying to work those numbers out...give you a number...I don't know if she has those numbers, but I don't think she's had enough time to deal with that yet.

Mr. Clougherty stated the original cost of Canal Street, as I understand it, was approximately \$1.5 million to construct, but then there was the addition that was put on to get to the current levels which was an additional \$2.7 million and then there was some significant rehab of another \$1.5 million over the years. So, in terms of constructions it's about \$5.7, \$5.8 million and that doesn't include some of the other numbers that we've got to look at tomorrow.

Alderman Gatsas stated so if the ballpark is \$5.7 million then I don't think there are many pieces of property in the City that have been built for 20 years that are selling for less than what it cost to build it, so I would assume that when we are spending \$5.7 million and turning around and selling the property for \$4.2 million that should be some consideration of what we're doing with other garages that we currently took votes on. God forbid if we should have to take back that garage and sell it for less money than what we paid for.

Mr. Taylor stated I think the flaw in your argument, Alderman, as I said before the numbers that were used in the appraisal which we, for obvious reasons is not made public at this point, are based on the fact that the City is subsidizing parking. Therefore, the free market does not come into effect and my guess is if someone were allowed to come in and acquire one or more of the garages and charge the true market rate that that fair market value estimate based on the income approach would dramatically change, but we're dealing with facts as they are and not facts as maybe they ought to be or we'd like them to be.

Alderman Gatsas asked can we just address my flaw because my flaw says that the assessed valuation at \$4.2 million is the current valuation based on the income approach if it was at fair market value, not a current market value.

Mr. Taylor stated the \$4.2 million is based on replacement costs less depreciation, not income.

Alderman Gatsas stated that's the same approach you would do on any piece of commercial real estate and I would venture to guess that any commercial piece of real estate that's 20 years old would be selling for more than what it was 20 years ago. So, my flaw certainly looks like it may be a flaw in your arithmetic.

Mr. Taylor stated not if the income was artificially held at a lower level.

Alderman Gatsas stated you can't compare the two. It's either an income approach or it's a replacement cost.

Mayor Baines stated we could go back and forth...you say he has a flaw, he says you have one...we're going to move on...call it a draw on the flaw.

Alderman Lopez stated it's unfortunate that we talk about item 13, we already passed item 25...maybe we should have had this information before, thank you.

Alderman Thibault stated as Chairman of Lands and Buildings, I believe that the Committee acted upon the fact that the City is losing money with the garages and I believe the Committee was looking for a way out of that if we're losing money what's the point in

keeping them. I certainly wouldn't want to keep a business that losing money constantly and I think given the assessed value that Jay is telling us as to what some of these properties are worth based on the idea that some of them were instituted to begin with is something that we all should look at. I don't care if we sell the garages, but I hate to lose money on them constantly and I think that that was the opinion of the committee.

Alderman Guinta asked, Jay, can you clarify something...two points. Would the RFP be for all three...are you saying that we would sell them in a block or did I misunderstand.

Mr. Taylor replied the vote of the Lands and Buildings Committee as I understand it was to explore the possibility of selling all three.

Alderman Guinta asked in a block.

Alderman Thibault interjected no, not as a block.

Mr. Taylor stated it could be a block, it could be individually.

Alderman Guinta stated I understand Lands and Buildings voted on it but I want to see what Jay's interpretation of that vote is.

Mayor Baines asked would you like to interpret that.

Alderman Guinta stated I think what he just said was "as a block".

Mr. Taylor stated my understanding was that all three garages would be put out, they could be bought either as a package or individually; that is my understanding.

Alderman Guinta asked do you have the figures regarding what we owe on all three of the garages.

Mayor Baines replied yes, isn't Canal Street \$1.9 or something.

Mr. Taylor stated on Canal Street the principle value is \$1.9 million and with interest to the term of the end of the bond is \$2.4 million. I think Victory is somewhere around \$440,000 and I'm not sure of the Center of NH, I don't have that number.

Alderman Wihby asked did we do an income approach as it stands current on Canal Street?

Mr. Taylor replied we had an appraisal done of all three.

Alderman Wihby asked using the income approach?

Mr. Taylor replied yes.

Alderman Wihby asked what was that?

Mr. Taylor stated I don't know as we want to...

Mayor Baines interjected we can't do that in public.

Alderman Wihby asked are we trying, are we setting a minimum.

Mr. Taylor replied we're setting a minimum bid, but I don't think it's...

Alderman Wihby interjected but it's not based on the income approach.

Mr. Taylor stated I don't think it's written anywhere necessarily that our minimum bid has to coincide with what the appraisals are. There's no law that says we can't make a profit if the cards fall that way. I think that's the answer to the question.

Alderman Thibault moved to accept, receive and adopt the second report of the Committee on Lands and Buildings. Alderman Lopez duly seconded the motion. The motion carried with Alderman Forest duly recorded as abstaining.

**14.** Report of Committee on Traffic relative to selection of a management company, if available.

Mayor Baines advised that the item has been tabled in Committee on traffic/Public Safety.

**15.** Ordinance:

“Amending Section 33.049 Special Merit Pay Increases of the Code of Ordinances of the City of Manchester by deleting said sections in its entirety.”

On motion of Alderman Thibault, duly seconded by Alderman Pinard, it was voted that the Ordinance be read by title only, and it was so done.

This Ordinance having had its second reading by title only, Alderman DeVries moved on passing same to be Enrolled. Alderman Shea duly seconded the motion. There being none opposed the motion carried.

Alderman Lopez asked would Jay Taylor come back with a time frame of his RFP and all that regarding the garages.

On motion of Alderman Shea, duly seconded by Alderman Thibault, it was voted to recess the meeting to allow the Committee on Accounts, Enrollment and Revenue Administration to meet.

Mayor Baines called the meeting back to order.

- 18.** A report of the Committee on Accounts, Enrollment and Revenue Administration was presented recommending that Ordinance:

“Amending Section 33.049 Special Merit Pay Increases of the Code of Ordinances of the City of Manchester by deleting said sections in its entirety.”

is properly enrolled.

Alderman Lopez moved to accept, receive and adopt the report of the Committee on Accounts, Enrollment and Revenue Administration. Alderman Smith duly seconded the meeting. There being none opposed, the motion carried.

- 19.** Communication from Deputy City Clerk Johnson requesting the Board direct the Chief of Police or his designee to issue civil forfeitures to each owner of an unlicensed dog via a warrant issued pursuant to RSA 466:14.

Alderman DeVries moved to approve the warrant under the Hand and Seal of the Board of Mayor and Aldermen pursuant to RSA 446:14. Alderman Shea duly seconded the motion. There being none opposed, the motion carried.

- 20.** Communication from Kevin Dillon, Airport Director, requesting authorization to negotiate and execute a Quitclaim Deed of certain Airport property (approximately 10 acres located in the Town of Londonderry) to the United States Government, Department of the Army.

Alderman Lopez moved to authorize the Airport Director to execute such Quitclaim Deed, subject to the review and approval of the City Solicitor. Alderman Pinard duly seconded the motion. There being none opposed, the motion carried.

- 21.** Communication from Kevin Dillon, Airport Director, requesting authorization to negotiate and execute the purchase of approximately 5.8 acres of land located at the northeast corner of Winston and Gay Streets for future Airport development purposes.

Alderman Garrity moved to authorize the Airport Director to negotiate and execute the purchase of land as outlined, subject to the review and approval of the City Solicitor. Alderman Wihby duly seconded the motion. There being none opposed, the motion carried.

- 22.** Communication from Thomas Seigle, Chief Sanitary Engineer, requesting

authorization for the Mayor to enter into a Use and Occupancy Agreement with the NHDOT which will allow the City to construct a portion of Cohas Brook Interceptor-Contract #3 inside the existing culvert under I-93.

Alderman Smith moved to authorize the Mayor to enter into a Use and Occupancy Agreement with the NHDOT, subject to the review and approval of the City Solicitor. Alderman Pinard duly seconded the motion. There being none opposed, the motion carried.

- 23.** Communication from Jay Taylor, Economic Development Director, requesting to expend an additional \$5,000 in Manchester AirPark funds to complete appraisals related to the proposed Courthouse Square project for a total authorization of \$15,000 based on the lowest of the two proposals received.

Alderman O'Neil moved for discussion. Alderman Sysyn duly seconded the motion.

Alderman Gatsas in reference to the additional parking garage at Courthouse Square, asked how many spaces is that?

Mr. Taylor replied I believe the engineering study that we had done indicated that we could build up to 650 spaces there.

Alderman Gatsas stated we are now not only doing a garage at Bridge and Elm but we're going to do another one at Courthouse Square and we're looking to sell three that we own now.

Mr. Taylor stated the appraisal that's before you has to do with valuing not only the parking lot but the two development parcels which are on either side of the federal building and without those numbers it's going to be very difficult for us and the developer to come to terms with whatever...how do we set the value and how do the numbers work and we need these figures in order to go forward. Yes, there is a parking garage involved and the commitment made by the Board and the developer, as I recall, was that there would be no negative impact on the tax rate as a result of this project and they need these numbers, we need these numbers in order to come back to you with a proposal that makes any sense.

Alderman Gatsas asked what was the time frame we had given them for exclusivity on that?

Mr. Taylor replied I don't know, I think we gave them a year.

Alderman Gatsas asked did we give him a year, does anybody know, do we have an answer to that?

Mayor Baines replied that's my recollection but we can research that with the Clerk's Office.

Mr. Taylor stated I think it was something like that.

Mayor Baines stated just to let you know next week we're meeting with the GSA officials to come up and discuss the project with them as well.

Alderman Thibault asked isn't this the project that we're talking about behind the courthouse.

Mr. Taylor replied yes.

Alderman Thibault stated we heard something about three months ago, maybe two and a half, three months ago.

Mr. Taylor stated behind the federal building. The reason that I'm back here, frankly, is we got some original estimates is what these appraisals might cost and we went out for proposals and we sent out proposals to four appraisal companies, we got two proposals back...one was for \$17,500 and the other was for \$15,000 which is \$5,000 above what was authorized by the Board originally and I think the reason why the numbers were a little higher than we anticipated was the fact that we were asking for them to value these parcels for sale, for long-term lease and asking them to set the value of the air rights over the top of them. So, these are very complex appraisals and they're more than the run of the mill and I think that's why the cost escalated to some extent.

Alderman Thibault stated, Jay, correct me if I'm wrong maybe I misunderstood something prior to this. But, wasn't there any MHA funds or federal dollars coming into play here someplace?

Mr. Taylor replied no, not on this. The only MHA connection was that there is still an active redevelopment, renewal plan in that area, so the MHA is involved to that extent.

Alderman Garrity stated in talking to Alderman DeVries being fairly new members of the Board is it possible we could get all of the backup information on this project. I know it was something that the previous Board had looked at and none of the fairly new Aldermen have this information.

Mr. Taylor stated I think it might have been prior to January that we did this.

Mayor Baines stated we'll get that all together and get it out to all the Aldermen because it has been a long time since we've discussed that project.

Alderman Shea stated this proposal, just for the record, there was something about a hotel being built there as well as office space and parking.

Mr. Taylor replied the original premise was a 60,000 square foot office building on the north side of the federal building, I believe a 100 room suite type hotel on the southern end of the federal building and then a garage somewhere in the 600 to 650 car range on the current location of the Pine Street Parking Lot behind the federal building.

Alderman Shea asked who owns the land right now that we're getting appraised.

Mr. Taylor replied the City of Manchester.

Alderman Shea stated once we have that appraised we're putting money to have it appraised so that if this particular venture doesn't go there for whatever reason, we would still be able to use this land for other purposes knowing that it's appraised.

Mr. Taylor stated at least we will have some sense of what it's worth and in the event that this project doesn't fly for some reason and we decide to go in another direction or there is some other interest, at least we will have a number...as you know we cannot sell property for less than fair market value, so we need to have that number.

Alderman Lopez stated first of all I think the developer should give you the money and pay for it if they want it. But, that garage was estimated at costing \$7 to \$8 million and during the conversation of the Elm Street Project...well, we've got to get this project through and that project (Courthouse) was brought up by myself and we want to beat them to the punch because there won't be any money left. They beat them to the punch and I think you're just wasting your money on this. They want to give you another \$5,000...have them give you \$5,000 and let them get the appraisal for you.

Mayor Baines stated, Alderman Lopez, I am advised by the City Solicitor that we could not do that, it has to be an appraisal independent that we pay for, it wouldn't be accepted.

Alderman Gatsas moved to table item 23 relative to an additional \$5,000 in Manchester AirPark funds to complete appraisals related to the proposed Courthouse Square project because my colleagues who just came on the Board want to take a look at this information. I know where I'm going, but if they want to table I don't have a problem. Alderman Forest duly seconded the motion. The motion carried with Alderman O'Neil duly recorded in opposition.

Mayor Baines readdressed item 9 of the agenda:

- 9.** A second report of the Committee on Finance was presented recommending that Appropriating Resolutions:

“A Resolution appropriating to the Manchester Aggregation Program the sum of \$764,816 from Aggregation Fees for the fiscal Year 2003.”

“A Resolution appropriating to the Manchester Airport Authority the sum of \$41,938,254 from Special Airport Revenue Funds for Fiscal Year 2003.”

“A Resolution appropriating the sum of \$2,686,167 from Recreation User Charges to the Recreation Division for Fiscal Year 2003.”

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“Continuation of the Central Business Service District.”

“Appropriating all Incremental Meals and rooms Tax Revenue Received by the City in Fiscal Year 2002 and held in the Civic Center Fund, for the payment of the city’s Obligations in Said Fiscal Year Under the Financing Agreement.”

“A Resolution appropriating to the Manchester Transit Authority the sum of \$725,000 for the Fiscal Year 2003.”

“A Resolution appropriating to the Manchester School Food and Nutrition Services program the sum of \$4,750,000 from School Food and Nutrition Services Revenues for Fiscal Year 2003.”

ought to pass and layover.

Deputy Clerk Johnson stated I guess after review of what is being asked in terms of the Central Business Service District the Clerk and the Solicitor would ask that we just accept the report as it was submitted which would be with the resolution that was just distributed. We need to review the State law and the City ordinance pertaining to this to determine what wording would be appropriate to place in the resolution to accomplish what they are asking to do. This resolution has to come back at the next meeting of the Board anyway so that will give us time to do that and give you a suggested amendment verbiage wise. We understand what it is they’re trying to accomplish.

Alderman Guinta asked can you explain that to me in English.

Deputy Clerk Johnson stated if you look at the resolution they’re looking to eliminate item #4 which is on the second page that says “that the special district assessment for fiscal year 2003 be established” and it says now at \$.59 cents per thousand. The normal process is that this resolution is what authorizes the Assessors to go out and do the billing when they’re ready to do the certification. In this past year, we had come back and amended the amount, if you recall, because it was passed early on and the reval made different assessments in that district and there has been some building that had gone on. The end result of that was that you had actually lowered the figure. What they are trying to do is to establish it to give them that penny or two process based on the appropriation and the expenditures. But, the State law that sets up the district and then the ordinance that provides for that under State law...this is not as we understand it submitted to DRA as the other taxable portions that we

do is. So, what we want to do is to be able to check those laws and make sure that it does not require a specific amount to be stated. We believe it may have to have a specific amount stated when it's passed, that's not to say you can't come back and change it at a later date before the bills go out.

Alderman Guinta stated this has not been an issue in the past because...

Deputy Clerk Johnson replied it's always been there, we have always stated what the amount per linear footage was going to be charged.

Alderman Guinta asked do you know what RSA's we're talking about.

Deputy Clerk Johnson replied I don't know the number off the top of my head, but we will research that. We were laying this over with the rest of the resolutions anyway with the intent of amending other resolutions we can amend this one at that time too.

Alderman Guinta moved to accept, receive and adopt the second report of the Committee on Finance. Alderman Thibault duly seconded the motion. There being none opposed, the motion carried.

**24. Appropriating Resolution:**

“Amending a Resolution ‘Approving the Community Improvement Program for 2003, Raising and Appropriating Monies Therefore, and Authorizing Implementation of Said Program’ as further amended.”

On motion of Alderman O'Neil, duly seconded by Alderman Guinta, it was voted that the Appropriating Resolution be read by title only, and it was so done.

Deputy Clerk Johnson stated for the benefit of the newer members of the Board this is the final action on the CIP for the FY2003 process.

Alderman Gatsas stated this is on the cash portion of the CIP budget, correct.

Deputy Clerk Johnson replied all portions of the CIP including cash.

Alderman Gatsas stated last night we cut, we didn't decimate some of the departments, but we cut their funding. Would it not be appropriate to look at some of these and reduce some of these costs on the cash basis, is that not appropriate or...I'm looking for your leadership, your Honor.

Mayor Baines replied it's up to the Board, we put together our CIP budget, it went to committee and now there's a report. I've already spoken.

Alderman O'Neil stated I'm not sure I understand the question.

Alderman Gatsas stated the question I have is...

Alderman O'Neil asked, Alderman, can you give me a specific example and I'll try to...

Alderman Gatsas stated I certainly don't want to arbitrarily go through this budget as we did last night with departments and cut some and leave others in place, but I would think that there are different items in this budget that if we're cutting departments we should be cutting other cash item out of this that maybe we can appropriate towards more road resurfacing because we certainly took it from Highway and I'm looking and saying did we take 2.5 % from Highway.

Mayor Baines replied yes we did.

Alderman Gatsas stated so I'm going to arbitrarily pick and choose, your Honor, I think that's what we all should do or you should do.

Mayor Baines stated if anybody wants to make any motions at this time, we need to get this past and the last day for passing is next week and it's up to the Aldermen at this time.

Alderman Gatsas stated we can table it until the eleventh.

Deputy Clerk Johnson stated I would suggest that you table it till the tenth because that is when you come back for the other ones.

Mayor Baines stated if the Aldermen want to do that.

Alderman Gatsas moved to table the CIP Appropriating Resolution. Alderman Wihby duly seconded the motion. A roll call vote was taken on the motion to table. Aldermen Wihby, Gatsas, Guinta, Sysyn, Sysyn and DeVries voted yea. Aldermen Pinard, O'Neil, Lopez, Shea, Garrity, Smith, Thibault and Forest voted nay. The motion to table failed.

Alderman Shea moved that the CIP Appropriating Resolution pass and be Enrolled. Alderman Thibault duly seconded the motion. A roll call vote was taken on the motion that the CIP Appropriating Resolution pass and be Enrolled. Alderman Gatsas, Guinta, Sysyn and Osborne voted nay. Aldermen Pinard, O'Neil, Lopez, Shea, DeVries, Garrity, Smith, Thibault and Forest and Wihby voted yea. The motion carried.

**26.** Resolution:

“Amending the FY2000 & FY2002 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Five Million Five Hundred Thousand Dollars (\$5,500,000) for FY2002 CIP 613402 Bridge & Elm Development Project.”

“Authorizing the Finance Officer to effect a transfer of Seven Hundred Dollars (\$700) from Civic Contributions as a donation to the West High School Band in conjunction with a band concert of June 30, 2002 at Lake Massabesic.”

Deputy Clerk Johnson in reference to the second resolution stated we would really need to redo again because that had been a referral into Finance Committee originally.

On motion of Alderman Pinard, duly seconded by Alderman Thibault, it was voted that the second resolution be read by title only, and it was so done.

Alderman Pinard moved that the resolutions pass and be enrolled. Alderman Thibault duly seconded the motion. There being none opposed, the motion carried.

**27. Ordinance:**

“Amending Section 33.049 Special Merit Pay Increases of the Code of Ordinances of the City of Manchester by deleting said section in its entirety.”

On motion of Alderman Thibault, duly seconded by Alderman Shea, it was voted that the ordinance be read by title only, and it was so done.

This Ordinance having had its third and final reading by title only, Alderman DeVries moved on passing same to be Ordained. Alderman Smith duly seconded the motion. The motion carried with none recorded in opposition.

**TABLED ITEM**

- 28.** Report of the Committee on Lands and Buildings recommending that the Welfare Commissioner be authorized to execute a lease agreement between the City of Manchester Welfare Department and Manchester Neighborhood Housing Services, Inc. for 22 units of space initiating July 1, 2002 at a cost not to exceed \$190,000.00 subject to the review and approval of the City Solicitor. The Committee notes that they have enclosed information relating to stipulations of the agreement and analysis conducted by the City Auditor.

On motion of Alderman Gatsas, duly seconded by Alderman Shea, it was voted to remove the report of the Committee on Lands and Buildings from the table for discussion.

Alderman Gatsas stated both Alderman DeVries and I met some four weeks ago, five weeks ago...this was a matter of urgency both to the Welfare Department and the Neighborhood Housing. When we found that the \$190,000 included the Straw Manor (debt service of \$45,000) that was incorporated into the \$190,000 there was a little less enthusiasm. I find it odd, your Honor, with an agency that we work very closely with, we fund an awful lot of money to that when it was time to come forward to help the Welfare Department, we have

not heard hide nor hair and we had to make a decision on doing that deal immediately. So, I would suggest we take it off the table and receive and file it and wait for the next round.

Alderman DeVries stated I was going to add to that that I have heard from Commissioner Martineau and evidently his hotel rental costs have come down extremely since he went after this proposal thus he did not feel that the need was there for his department at this time. They are looking at some sort of an as needed deal rather than the hotel complex, I forget the name of it, but rather to look at the Straw building as an alternative.

Alderman Gatsas stated I would think that if we had not made a motion to table this and look into it that the City would have been at risk for \$190,000 and I believe I made that motion and I would say, again, that is the process of setting the budget for the following year.

Alderman Gatsas moved to receive and file the report of the Committee on Lands and Buildings. Alderman DeVries duly seconded the motion.

Alderman Guinta asked when was the last time that the two Aldermen met with NHS, has there been subsequent meetings or just the one meeting?

Alderman DeVries replied just the one meeting.

Alderman Guinta stated my understanding is that there was going to be another proposal coming forward because NHS still has interest in going forward with this general plan.

Mayor Baines stated we will pursue that and see if they are. We will ask the Clerk to follow-up. It could come back if they came back with a proposal.

Alderman Guinta asked is there any particular requirements if we just receive and file.

Mayor Baines replied no they could come back in with another request.

Alderman Thibault asked could we ask the Welfare Commissioner to come in and give us an update as to exactly where this is at right now. I understand what Aldermen Gatsas and DeVries have done and I appreciate that, however, I would like to get an update from the Welfare Commissioner himself as to exactly where that is at.

Mayor Baines stated we will definitely do that.

Alderman Gatsas stated in deference to my colleague he was with us at that meeting.

Alderman Thibault stated I would like to bring the whole Board into this.

Mayor Baines called for a vote on the motion to receive and file the report. There being none opposed, the motion carried.

### **NEW BUSINESS**

“Amending the Zoning Ordinance of the City of Manchester by amending Article 10 - Off Street Parking and Loading Requirements, Section 10.03 by increasing the required stacking spaces for car wash and car care with automatic or drive-thru services from 5 to 10 stacking spaces.”

Alderman Wihby stated the Clerk passed out a proposed zoning ordinance amendment and moved to refer the proposed zoning ordinance amendment providing for increasing the required stacking spaces for car wash and car care with automatic or drive-thru services from 5 to 10 stacking spaces to Public Hearing on June 18, 2002 at 7:00 PM in the Aldermanic Chambers, and to the Committee on Bills on Second Reading. Alderman Osborne duly seconded the motion. There being none opposed, the motion carried.

Alderman Wihby stated when I came in this evening, I was handed a petition from the Manchester Regional Industrial Foundation and I guess I have some questions about it and what it means and I don't know if the City Solicitor can answer it or not, but on here it says “that the trustees”...I guess what it was was trust a from back in 1961 and it said that the trustees decided to get rid of the trust, as I understand it there's a million dollars in it...talking to Kevin Clougherty...and, it says it's to be used for the relocation of the original Airport terminal building and what I could get from this anyway is we're moving the original Airport terminal building somewhere on Brown Avenue, I guess, and it says the trust doesn't have funds to sufficiently operate or maintain the building and the City of Manchester has agreed to operate and maintain the building. So, this was signed by Pat Duffy back on December 20, 2001 saying that the City has agreed to operate and maintain the original Airport terminal building somewhere on Brown Avenue and whatever it costs, I've never voted on that, your Honor, and I'm just wondering if they just mean the City meaning the Airport's going to pay and not the City of Manchester.

Mayor Baines called upon Mr. Dillon the Airport Director.

Mr. Dillon stated Manchester Regional Industrial Foundation (MRIF) is a private foundation that was originally created to promote industrial development in and around the Airport back in the 1960's with private seed money. There has been some questions raised by the FAA as to the ability for MRIF to stay in business because of revenue diversion concerns...they raise their money from Airport properties. They've accumulated roughly a million dollars in their budget. We have reached an agreement with MRIF that they will actually disband and in essence turn those assets over to the Airport and that satisfies the FAA revenue diversion issue. But, part of the assets will be used to relocate the original terminal, the Airport when

it started its capital construction program had a requirement based on the State Historical Society and some of the environmental permits and the requirements that we had to satisfy those permits to maintain the original terminal building because it has a historical designation. So, they're actually relocating the terminal on the Airport's behalf and part of the obligation that the Airport has is to operate and maintain that terminal as a Visitor's and Information Center.

Alderman Wihby stated so where it says that they are conveying it to the City of Manchester and that the remaining funds the City of Manchester is going to use to operate and maintain, but in here it says that there is not enough money to maintain it, so is the City of Manchester going to maintain the building once it's moved or is it the Airport?

Mr. Dillon replied the Airport as an arm of the City of Manchester will maintain the building.

Alderman Gatsas asked where is the money coming from.

Mr. Dillon replied Airport funds.

Alderman O'Neil stated this is the small building over on the Perimeter Road side.

Mr. Dillon stated that is correct, it's the original terminal, not the Ammon Center, it's the small white building.

Alderman Wihby stated so basically what this is is that Pat signed as a member of the Airport Authority.

Mr. Dillon stated the members of MRIF are the Airport Authority members plus additional members, I'm not too sure I know off-hand how many members they have on their Board but Pat Duffy is not part of the Airport Authority at this point.

Alderman Wihby asked when he signed this what was he signing this as?

Mr. Dillon replied as Chairman of MRIF, they're two separate entities.

Alderman Wihby stated when they decided to terminate this then the Authority agreed to it.

Mr. Dillon stated the Authority or the City doesn't have the obligation to agree with it, it's an independent foundation. Because the FAA raised concerns because they derived their revenues from Airport properties that they leased from the City

Back in the 60's, the FAA has taken the position that that's an illegal diversion of Airport revenue and they have requested that MRIF go out-of-business. MRIF has agreed on their own to do that, but MRIF is not a City...

Alderman Wihby stated they're agreeing that the Airport is going to be paying future costs to maintain the building. Who decided that yes the Airport will pay the future costs?

Mr. Dillon replied the Airport did, at the time the original master plan for the construction program was put together, that's an obligation that the Airport has that MRIF is being nice enough to pay part of it for us.

Mayor Baines stated I was talking to Kevin about that just a couple of days ago, that goes back quite a long period of time, right.

Alderman Wihby stated '61 it says here.

Mr. Dillon stated I think the bottom line is you have to understand that relocating the Airport Terminal in an obligation that the City has and MRIF has agreed to use their assets to do on our behalf.

Alderman Shea stated the only thing I had was to ask Kevin how we stand (quickly) with the Welfare Department.

Mayor Baines replied he is going to be looking at that Contingency, Alderman.

There being no further business to come before the Board, on motion of Alderman Smith, duly seconded by Alderman Garrity, it was voted to adjourn.

A True Record. Attest.

City Clerk